



# PROPOSED RULE MAKING

**CR-102 (June 2004)**

(Implements RCW 34.05.320)

Do NOT use for expedited rule making

Agency: Board of Accountancy

- ☒ Preproposal Statement of Inquiry was filed as WSR 04-06-085 ; or  
☐ Expedited Rule Making--Proposed notice was filed as WSR \_\_\_\_\_; or  
☐ Proposal is exempt under RCW 34.05.310(4).

- ☒ Original Notice  
☐ Supplemental Notice to WSR \_\_\_\_\_  
☐ Continuance of WSR \_\_\_\_\_

Title of rule and other identifying information: (Describe Subject) WAC 4-25-530 Fees.

**Hearing location(s):**

Ridpath WestCoast Hotel  
515 West Sprague Avenue  
Spokane, WA 99201

**Submit written comments to:**

Name: Dana M. McInturff, Executive Director  
Address: PO Box 9131  
Olympia, WA 98507-9131  
e-mail [webmaster@cpaboard.wa.gov](mailto:webmaster@cpaboard.wa.gov)  
fax (360)664-9190 by (date) October 15, 2004

Date: October 28, 2004 Time: 1:00 p.m.

**Assistance for persons with disabilities: Contact**

Cheryl Sexton by October 18, 2004

Date of intended adoption: October 29, 2004

(Note: This is NOT the effective date)

TTY (800) 833-6384 or (360) 664-9194

Purpose of the proposal and its anticipated effects, including any changes in existing rules: See attached.

**Reasons supporting proposal:** The Board's goal with all of its rule proposals is to:

- Promote clarity
- Ensure effective communication
- Ensure fairness in interpretation and application of the rules
- Promote efficiencies through minimizing gray areas

Specifically RCW 18.04.065 directs the Board to "set its fees at a level adequate to pay the costs of administering this chapter"

**Statutory authority for adoption:** RCW 18.04.065; RCW 18.04.105(3); RCW 18.04.205**Statute being implemented:** RCW 18.04.065; RCW 18.04.105(3); RCW 18.04.205**Is rule necessary because of a:**

- |                         |                              |  |
|-------------------------|------------------------------|--|
| Federal Law?            | <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No |
| Federal Court Decision? | <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No |
| State Court Decision?   | <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No |
- If yes, CITATION:

DATE

NAME (type or print)

Dana M. McInturff, CPA, CFE

SIGNATURE

TITLE: Executive Director

**CODE REVISER USE ONLY**

CODE REVISER'S OFFICE  
STATE OF WASHINGTON  
FILED

AUG 16 2004

TIME

WSR

1:20

AM

PM

04-17-086

(COMPLETE REVERSE SIDE)

**Agency comments or recommendations, if any, as to statutory language, implementation, enforcement, and fiscal matters:**

Comment: The 2003 Washington State Legislature (Engrossed Substitute Senate Bill 5404) authorized the Board to increase fees during the 2003-05 fiscal biennium in excess of the fiscal growth factor as provided in RCW 43.135.055, if the increases are necessary to fully fund the cost of administering Substitute House Bill No. 1211.

**Name of proponent:** (person or organization) Primarily the Washington State Board of Accountancy

☐ Private  
☐ Public  
☒ Governmental

**Name of agency personnel responsible for:**

Name	Office Location	Phone
Drafting ..... Dana M. McInturff, CPA	Olympia, WA	(360) 586-0163
Implementation ..... Dana M. McInturff, CPA	Olympia, WA	(360) 586-0163
Enforcement ..... Dana M. McInturff, CPA	Olympia, WA	(360) 586-0163

**Has a small business economic impact statement been prepared under chapter 19.85 RCW?**

☐ Yes. Attach copy of small business economic impact statement.

A copy of the statement may be obtained by contacting:

Name:

Address:

phone ( ) \_\_\_\_\_

fax ( ) \_\_\_\_\_

e-mail \_\_\_\_\_

☒ No. Explain why no statement was prepared.

The proposed rule will not have more than minor economic impact on business

**Is a cost-benefit analysis required under RCW 34.05.328?**

☐ Yes A preliminary cost-benefit analysis may be obtained by contacting:

Name:

Address:

phone ( ) \_\_\_\_\_

fax ( ) \_\_\_\_\_

e-mail \_\_\_\_\_

☒ No: Please explain: The Board of Accountancy is not one of the agencies required to submit to the requirements of RCW 34.05.328.

**Purpose of the proposal and its anticipated effects including any changes in existing rules:**

The suggested revision:

- Addresses the new CPA-Inactive title use requirement.
- Establishes a fee for submission of a peer review report to obtain an exemption from participating in the board's Quality Assurance Review Program. Because firms that submit a peer review have been historically exempted from the fee, the program is currently being funded by only those firms that participate in the board's quality review program and not all the firms that undergo board oversight. Firms that request a peer review exemption to QAR also require monitoring, correspondence, review of peer review records, filing, and QAR staff support to respond to inquiries. The suggested fee reflects the estimated staff time and other costs associated with this activity and would, in effect, require all firms under the board's quality oversight to fund the program.
- Raises the fee for amending a firm license. As a result of the recent changes to the firm licensing requirements, the time associated with reviewing, processing, and responding to inquiries regarding firm amendments has significantly increased. The suggested fee increase reflects that cost. It also removes the requirement for firms to submit an amendment form and fee for a change of address. Address changes are a relatively simple process for board staff to complete and, therefore, do not merit a fee or require the completion of a firm amendment form. (Firms will be able to use the Change of Address form currently used by individuals).
- Eliminates 'computer diskette of CPA exam candidates' from the type of lists that can be purchased because this list no longer exists.
- Establishes a fee for transferring grades to another state. The recommended fee reflects the estimated board costs for processing requests for transferring grades to another state. There has been an increase in the number of grade transfer requests that the Board receives. And, because the Board's fees are very competitive (and Washington state does not require citizenship or residency which many other states do require) and applicants may take the exam as a Washington applicant at 300+ locations nationwide (including Guam, the Virgin Islands, and Puerto Rico), the Board anticipates Washington may have multiple applicants who take the exam as a Washington applicant and then transfer their grades to the state in which they actually seek licensure.
- Establishes an investigation fee for exam applicants who do not provide a social security number. The National Association of State Boards of Accountancy (NASBA) charges an investigation fee for applicants who do not submit a social security number. This is because NASBA uses the social security number to perform its comparison of an applicant against the national database to ensure the applicant has not applied for the same section of the exam, during the same exam window, in two jurisdictions at the same time. Without a social security number NASBA must perform other investigative techniques. This fee covers the cost of the additional investigative work.
- Clarifies the justification the Board considers when it approves waivers to late fees. The suggested language is based on the Board's history of approving waiver requests.

AMENDATORY SECTION (Amending WSR 04-01-076, filed 12/15/03,  
effective 1/15/04)

WAC 4-25-530 **Fees.** The board shall charge the following fees:

- (1) Initial application for individual license, practice privilege, individual license through reciprocity, CPA firm license (sole proprietorships with no employees are exempt from the fee), or registration as a resident nonlicensee firm owner ..... \$330
- (2) Renewal of individual license, CPA-Inactive certificate, practice privilege, CPA firm license (sole proprietorships with no employees are exempt from the fee), or registration as a resident nonlicensee firm owner ..... \$230
- (3) Application for CPA-Inactive certificateholder to convert to a license ..... \$0
- (4) Application for reinstatement of license, practice privilege, CPA-Inactive certificate, or registration as a resident nonlicensee owner ..... \$480
- (5) Quality assurance review (QAR) program fee (includes monitoring reviews for up to two years) ((..... ~~\$400~~))  
Firm submits reports for review ..... \$400  
Firm submits a peer review report for review ..... \$60  
Firm is exempted from the QAR program because the firm did not issue attest reports ..... \$0
- (6) Late fee ..... \$100
- (7) Amendment to firm license except for a change of firm address (there is no fee for filing a change of address) ... ((\$25))  
..... \$35
- (8) Copies of records, per page exceeding fifty pages ..... \$0.15

(9)	((Printed listing of CPA exam candidates .....))	\$75	
(10))	Computer diskette listing of licensees, CPA-Inactive certificateholders, grants of practice privilege, ((and)) registered resident nonlicensee firm owners((; computer diskette of CPA exam candidates;)), or ((computer diskette of)) firms .....	\$75	
((11))	Replacement CPA wall document .....	\$50	
(11)	<u>Process transfer of grades .....</u>	<u>\$35</u>	
(12)	Dishonored check fee (including, but not limited to, insufficient funds or closed accounts) .....	\$35	
(13)	CPA examination. Exam fees are comprised of section fees plus administrative fees. <b>The total fee is contingent upon which section(s) is/are being applied for and the number of sections being applied for at the same time.</b> The total fee is the section fee(s) for each section(s) applied for added to the administrative fee for the number of section(s) applied for.		
(a)	Section fees:		
(i)	Auditing and attestation .....	\$134.50	
(ii)	Financial accounting and reporting .....	\$126.00	
(iii)	Regulation .....	\$109.00	
(iv)	Business environment and concepts .....	\$100.50	
(b)	Administrative fees:	1/1/04 - 12/31/06	After 1/1/07
(i)	First-time candidate - Four sections .....	\$124.50	\$132.95
(ii)	First-time candidate - Three sections .....	\$111.00	\$119.10
(iii)	First-time candidate - Two sections .....	\$97.00	\$104.70
(iv)	First-time candidate - One section .....	\$83.00	\$90.30
(v)	Reexam candidate - Four sections .....	\$122.50	\$130.75
(vi)	Reexam candidate - Three sections .....	\$104.00	\$111.40

(vii)	Reexam candidate - Two sections .....	\$85.00	\$91.50
(viii)	Reexam candidate - One section .....	\$66.00	\$71.60
	<u>National Association of State Boards of Accountancy candidate data base investigation fee for exam applications submitted without the applicant's Social Security number .....</u>	<u>\$70</u>	<u>\$70</u>

Note: The board may waive late filing fees for ~~((good cause))~~ financial hardship, critical illness, or active military deployment.